

NOTE: The President spoke at 10:42 a.m. in the Troy Public Square. In his remarks, he referred to Gov. Bob Taft of Ohio; Ohio Secretary of State J. Kenneth Blackwell; Mayor Michael L. Beamish of Troy, OH; Col. Muammar Abu Minyar al-Qadhafi, leader of Libya; President Hamid Karzai of Afghanistan; and Prime Minister Ayad al-Alawi of the Iraqi Interim Government.

Remarks in a Discussion in Lima, Ohio

August 28, 2004

The President. Thank you all. Please be seated. I've got a lot of work to do today. See, I'm here in Lima asking for the vote. I'm here to tell you I've got a reason to seek the Presidency again. There is a reason to want to serve, and that's to keep the country safer and stronger and better. That's why I want to be your President.

And I believe you've got to get out amongst the people and ask them for the vote. So that's what we're doing here in Ohio on this Saturday. And thanks for coming. Thanks for giving me a chance to—we've got a—I've got a different way of talking about what's on my mind and talking about our agenda. I've actually asked some of your fellow citizens to join me today to talk about what it means to own a business or what it means to own a health savings account, what it means to—what tax relief meant. It's a way of explaining why we have done the things we've done and what we intend to do to make sure this country is a strong country.

I want to talk a little bit about foreign policy. I want to talk about how to spread peace. And then I'm going to answer some of your questions, if you've got some.

Before I do so, I want to tell you that I'm really proud of Laura. She is a wonderful wife. I was a lucky fellow when she said yes. [Laughter] She was a public school librarian when I asked her to marry me. She said, "I'll marry you, just so long as I don't have to give any speeches." [Laughter] It's the only political promise I've ever broken. [Laughter] And thankfully I broke it. What a fabulous, articulate woman she is. She's a great mom, a wonderful wife. There's a lot of reasons why I think you ought to put me back in, but perhaps the most important one is

so that Laura is the First Lady for 4 more years. She's working on her convention speech. I better get working on mine. [Laughter]

I'm proud to be running with Dick Cheney. He is a really solid man. He is a—I like to tease my Vice President by saying, you know, he's not the prettiest face in the race. [Laughter] But I picked him because of his sound judgment, his expertise, and the fact that he can get the job done. That's why I picked Dick Cheney.

I appreciate my friend Mike Oxley. I call him Ox. [Laughter] He's the Congressman from this part of the world. He's a really good man. He's a great chairman of an important committee. He's a decent American. I appreciate you coming, Mike. I'd have thought you'd have gotten a better seat, but you know—[laughter]. And standing with Mike is United States Senator Mike DeWine. He is doing a fine job for Ohio. He's got another fine Senator serving with him in George Voinovich. Put him back in there for 6 more years; he's a good man to work with.

Governor Taft is traveling today. Thank you for coming, Governor. Kenny Blackwell is with us. I'm honored you both are here. Appreciate you being here.

Karel Oxley—[applause]—yes—the superintendent of schools. Thank you for opening up this beautiful school to this dialog we're having. And more importantly, thanks for serving your community. You know I like superintendents of schools so much so that I picked a superintendent of the Harris County School System in Texas to be the Secretary of Education, Rod Paige. The reason why is I believe in local control of schools, and I wanted somebody in Washington who understood all wisdom about education is not in the bureaucracies of Washington; it's actually found in the local communities of our States and cities.

I want to thank the Lima High marching band for performing. I'm honored that you're here. I appreciate it.

I also want to thank the grassroots activists who are here. We have a duty in America to vote. One of the amazing facts about what is taking place in the world is the fact that there are over 10 million people who have registered to vote in Afghanistan. Now think

about that for a minute. Ten million citizens have said, "Let me participate in democracy," after having lived under the clutches of a barbaric regime. It speaks to the power of liberty, doesn't it?

Now, we have a duty here to register to vote as well. That's—one of my purposes in taking this bus trip throughout Ohio is to remind citizens from all political parties: Register. And do your duty and vote. Now, I've got an idea who I think you ought to vote for regardless of your political party. [*Laughter*] But you ought to be participating in the system. And there are people here in this hall who are helping to register. And I want to thank you for it. I want to thank you for convincing your fellow citizens to do their duty.

We've got Becky Brown on the bus today. Becky is the one millionth volunteer for the Bush-Cheney campaign. Beck, congratulations for being the one millionth. She is from Miami County, Ohio. Our first stop was in Troy, Ohio. A little over 20,000 people came out to say hello, I want you to know, which is pretty darn heartening. It's a good way to start your morning, if you're looking for votes. [*Laughter*]

But I do want to thank you. You can get on the Internet at georgewbush.com. It's pretty easy to remember—not all that original, I must admit. [*Laughter*] But it's a way where you can figure out how to help. And we need your help, is what I'm telling you. We need your help. We're going to carry Ohio again in 2004. [*Applause*] Thank you all.

Audience members. Four more years! Four more years! Four more years!

The President. Thank you all. Thanks. That's what I'm here to tell you. I'm here to tell you I've got the energy, the desire, the vision to serve this great country for 4 more years. That's what we're here to talk about.

You know it's going to sound probably a little strange for me to tell you this but I wouldn't be asking for the vote if I wasn't comfortable in telling you that this has been a fabulous experience for my family. It probably seems counterintuitive, doesn't it? All the spotlight and the fishbowl and the pressure and the decisionmaking. But it's been

great. It really has. And I am grateful and thankful that I've got a wonderful wife and two fabulous daughters who are by my side during these moments in our Nation's history. And it's been really a fascinating experience.

I have a deep desire to continue to rally the armies of compassion. See, the strength of this country is the hearts and souls of our citizens. We have a strong military. We'll keep it that way. We're the greatest economic engine in the world. And yet the true strength is the fact there are loving citizens in America who are willing to interface with somebody who hurts and says, "I love you, brother or sister. What can I do to help you?"

And this country of ours, it's very important to recognize that Government is limited in its capacity to heal and help. Government can hand out money, but Government cannot put hope in a person's heart or a sense of purpose in a person's life. And so one of the callings for the next 4 years is to continue to call upon those soldiers in the armies of compassion to help heal those who hurt.

The Faith-Based and Community Initiative which we've started in Washington is a vital part of helping change America one heart and one soul at a time. People often say, "Well, tell me about the Faith-Based Initiative and why you've started it." Well, I'll tell you one reason why. Take, for example, a person who's hooked on drugs. Sometimes that person can get off drugs by a counselor, a kind of a psychological counseling. Sometimes it works. Sometimes, in order to get off drugs, it requires a change of heart. See if you change a heart, you change a person's habits. And so, therefore, if part of my job is to get the job done and solve problems and a problem in our country is the fact that some people are hooked on drugs and alcohol, it seems to make sense to me to call in all aspects of American society to help save lives, including those programs based upon faith which change a person's heart. And so we ought to be welcoming all faiths into the compassionate healing of broken hearts in America, so everybody can realize the great promise of America—everybody in this country. So when I'm talking about a better America, I'm talking about continuing to rally the armies of compassion.

I'm also talking about making sure everybody gets an education. I'm glad we're having this meeting in a schoolhouse. I was just with John Boehner. He's the chairman of the education committee. He's from the district right down south of here. We changed the whole attitude about schools in America. See, when I got into Washington, I was convinced that too many children were just being shuffled through the schools grade after grade, year after year, without learning the basics. So in working with the Mikes who are here and Boehner and others I said, "Look, let's increase funding to the extent we can afford it, but for the first time why don't we ask a simple yet profound question: Can the child read? Why don't we start with that. Why don't we make sure."

I call it challenging the soft bigotry of low expectations. You know what that means? It means when you believe certain children can't read and write, guess what's happens? It's exactly what happens. Certain children just get moved through the system. And guess who we're talking about? We're talking about inner-city kids. We're talking about children whose parents may not be able to speak English as a first language. It's so easy to quit on them.

That's not my vision or your vision of the future of this country. Our vision says every child can learn to read and we expect it. Therefore, in return for extra Federal money, you measure. You show us. You tell us whether your curriculum is working. It's your choice to choose the curriculum, but I just want to know. As the man in charge of spending Federal money along with Congress, I want to know whether or not this money we're spending is making sense. And if we're not teaching the kids early enough to read, let's correct it early, before it's too late. That's what we're talking about about a hopeful America. And it's working. This program is working. By measuring, we know. And guess what's happening? By having high standards, local control of schools, extra money to help, the achievement gap in America is closing. Because we measure—that's how we know.

And there's more to do. I want a high school diploma to mean something. I want to make sure we emphasize math and sciences so the rising generation will have

the skills necessary to compete in a global economy. We've got a lot to do on education. But a better America is to have the right vision and the right focus on how to improve public education for every single child. And that's exactly what this administration has done, and that's what we'll continue to do over the next 4 years.

A stronger America is an America in which people are able to find work. And listen, I understand Ohio. I've been here a lot, and I will come back a lot. *[Laughter]* This economy of ours has recovered from recession, corporate scandal, and attacks. And yet there are parts of your State that are lagging behind the national economy. I understand that—I understand that. Which means you better have somebody in office who has a plan to continue economic growth, a plan that says here's how we're going to continue the momentum of the economy. And that's what I want to talk to you about. A stronger America is an America in which this economy continues to grow.

The role of Government is not to create wealth. The role of Government is to create an environment in which the entrepreneurial spirit can flourish, in which small businesses grow to be big businesses. That's why, when we were in the recession that showed up at our doorstep after the Vice President and I got sworn in, I said to Congress, "Let's cut the taxes on the people. Let's let them have more of their own money to spend, to save, or invest." And it's working—it's working. The economy is strong and getting stronger. The national unemployment rate is 5.5 percent. That's lower than the average in the 1970s, 1980s, and 1990s. The economy is getting stronger.

A couple of things about the tax relief plan—it will fit into some of our discussions with some of the entrepreneurs here. First of all, when it came to providing tax relief, remember how we did it. We said, "If you pay taxes, you ought to get relief." It sounds pretty simple, but that's not always the way Washington does things. So we said, "If you're paying taxes"—so therefore we reduced all rates, which was fair.

We also did some other things inside the code. We increased the child credit. Why? We want it easier for moms and dads to raise

their children. We reduced the marriage penalty. Think about the logic of a Tax Code that penalizes marriage. It's backward. We ought to be encouraging marriage, not penalizing marriage, in the Tax Code.

We helped small businesses a lot in the tax relief for two reasons: One, most small businesses in America are what's called an S corp or limited—sole proprietorship. And they pay tax at the individual income tax level. See, here—a small business is called an S corp, but their taxes are paid based upon the individual rates. And by far most businesses in America are either of those two legal forms. And so when you reduce all rates, individual rates, you've got to make the connection. It's important for the American people to understand we're really reducing the rates on small-business owners. And that's important because most jobs—most new jobs in America are created by small-business owners. One reason our economy is coming back is because the small-business sector is vibrant and strong.

The other thing we did is we provided incentive for small businesses to invest. And we'll talk to some small-business owners that took advantage of the incentive program that said if you invest, you get a little tax break.

There's more to do to keep the economy going, and let me tell you right quick what I think we ought to be doing. First, one way to say this is that the best way to keep jobs here in America is to make sure America is the best place in the world to do business. I mean, if you want jobs here, it's got to be the kind of environment in which people are willing to risk capital. So what does that mean? It means we've got to have tort reform. There's too many junk lawsuits that are making it hard for businessowners to create jobs. That's one thing it means.

It's tough to get it done in Washington. The plaintiffs bar is one of the special interests that are hard to move, to be frank about it. That's why you need to put me back in there. I'm not afraid of them. I want to continue to push for legal reform that will help our businesses.

I'll tell you another area where we need legal reform, and that is in medicine. Too many junk lawsuits and frivolous lawsuits hurt our docs and hurt our patients. And

that's an important issue. By the way, this is a national issue. It's a national issue because junk lawsuits and the defensive practice of medicine as a result of junk lawsuits run up our budgets. They run up our VA budget. They run up our Medicare budget. They run up our Medicaid budgets. It's costly to the taxpayers, but more significantly, it's costly to the communities because docs are being run out of business.

Most people get their insurance through their businesses. Most—and since most new jobs are created by small businesses, it seems like to me that good health policy focuses on the small-business sector. Many small businesses are having trouble affording health care. It's a problem. It is an issue that we must deal with.

One way to deal with that issue is through medical liability reform. Another way to deal with that issue is to use technologies in medicine to wring out excessive cost and to cut down on medical error. A third way to do so is to allow small businesses to pool risk across jurisdictional lines. That means a restaurant in Texas and a restaurant in Ohio can buy policy and—with other restaurants around the country and spread risk across a greater number of employees so as to reduce the cost of health care to—those are called association health plans. That's what that's called. They're being resisted in Washington, DC. But it's a mistake not to allow small businesses to be able to pool risk so they can afford insurance at the same discounts that big businesses are able to afford insurance.

Another way to keep jobs here in America is to make sure we've got an energy policy. You see, if you want workers to be here, we better have a reliable and affordable supply of energy. Two years ago, I submitted a plan to the United States Congress that said, "Let's encourage conservation. Let's encourage research into how to make sure renewable forms of energy are more cost-effective"—that means corn, for example, or soybeans. It means—look, we ought to be exploring the technology and the know-how to expand the use of ethanol.

Can you imagine someday—and I believe it's going happen—someday a President is going to walk in and the ag-type adviser is

going to say, "Hey, Mr. President, the corn crop is up, and now we're less dependent on foreign sources of energy." That's what I'm telling you. We also need to be using Ohio coal. We need to be using Ohio natural gas. If we want to keep jobs here, we've got to be less dependent on energy sources from overseas.

I'm winding down here.

Audience members. No-o-o!

The President. No, no, I'm just getting started, excuse me—[laughter]—getting cranked up. When people start dropping out on the front row, I'll quit. Anyway—[laughter].

Let me talk about trade. That's a vital issue, and if we get it wrong, it's going to hurt jobs in America. My position on trade is this: First, we have opened up our markets for goods from overseas for a reason. It's not just me. Other Presidents have done so as well. The way the economy works is that if you have more products to choose from, you're more likely to get a better quality product at a better price. That's the way the economy works. And so therefore, when you open up your markets to foreign goods, it's good for U.S. consumers.

Now, all I'm telling you on trade is that the policy ought to be saying, "We've opened up our markets. You open up yours." See, that's the best trade policy. We treat you one way; you treat us the same way. And that's—and we're making progress there.

Now, I've got tools at my disposal to call to account unfair trading practices, and I'm using them—I'm using them without creating a climate of economic isolationism. See, it's so easy to say, "We'll just isolate ourselves from the world. That's how we'll deal with unfair trade." That's a mistake. That's a big mistake. A lot of capital comes into the State of Ohio from overseas that employs people. But as importantly, a lot of people in Ohio are selling goods overseas.

I'm going to tell you something. The farm economy is good here in this State. You might remember what it was like before I came in. Any farmers here? Yes, okay. You remember, it wasn't so good. Well, one reason the farm economy around this country is strong is because we're selling soybeans to China; we're selling corn around the

world. We've opened up markets. We can compete with anybody, anytime, anyplace, so long as the rules are fair.

Let me talk about one other thing—aspect about keeping jobs here in America. It's a very important aspect, and that is I believe we ought to have this concept of a lifetime of learning for all citizens. And let me tell you what that means. It means, first, get it right early. It means make sure the high school diploma means something. We're expanding Pell grants, by the way, to help low-income families afford college. We've added a million—a million students on Pell grants since I've been the President, so we can get people going to college. But what I'm talking about, a lifetime of learning, is to help workers gain the skills necessary to fill the jobs of the 21st century.

I'm a big believer of community colleges, and I'll tell you why. Community colleges are available around the State of Ohio and America; they're accessible. In other words, if you've got a desire to go, you can go. And they're affordable. Plus we're spending your Federal money to help make it even more affordable. I mean, there's a lot of trade adjustment money that helps workers that might have lost a job as a result of trade policy. There is displaced worker money. In other words, we have made money at the Federal level—and I think it's money well spent, by the way—to say to a worker, "If you've lost your job, here is some help to go to a community college to gain new skills."

See, what's happening in a lot of parts of our country is that old jobs are leaving and there's new jobs being created, new higher-paying, better jobs, but there's a skills gap. And we've got to help people fill the skills gap. Let me be specific, what I'm talking about.

The textile industry has lost jobs over the last couple of decades, particularly in the South. And yet, the health care industry is vibrant and strong. And so one of the programs that we put in place is to take—is to help textile workers become nurses or textile workers to become health care technologists.

I remember going to Mesa Community College in Arizona. And a lady stood up, and she said, "I was a graphic design artist for 12 years making X. And I went back to my

Mesa Community College.” She got a little help—I think it was a Pell grant—she got a little help from the Government. She went back and got an associate’s degree. And she made more money in her new job in her first year than she made in her old job in the 12th year. See, when you go back and gain new skills, it makes you a more productive worker. And when you increase your productivity as a worker, not only does it help you meet the jobs that require new skill sets but you make more money.

And so the challenge in this economy of ours is to grow it, but to make sure the workers have got the necessary skills. We can’t make somebody go back to school. We can’t say, “We’ll pass a law that says you’re ambitious.” But we darn sure can help with Federal funding, and we will—and we will. To keep jobs in America, we must provide workers with a lifetime of learning opportunity.

We’ve got Pat O’Connor with us. Ready? Give the man his mike. Pat O’Connor is the president of a small business. Named?

Pat O’Connor. Range Clean Manufacturing. *[Applause]* I’ve got a couple of associates up there.

The President. Yes, you’ve got a couple associates up there. Now is your chance to tell him you need a pay raise—*[laughter]*—anyway.

First, let me start by telling you how he’s organized. Or you can tell me how you’re organized. S corp?

Mr. O’Connor. We’re an S Corp. In fact, talk about the tax break, it was actually 2½ years ago I actually bought my father out from the company. He started the company 33 years ago.

The President. I followed my father too—*[laughter]*—just cost me a little time. But other than that—*[laughter]*. Go ahead.

Mr. O’Connor. An S corp, and any of the profits flow directly down to the owner.

The President. See, S corp means that when he has profit, he pays at the individual income tax rate. So when we’re cutting tax on individuals, guess what? He got tax relief. I think it’s important. You know why? How many people did you hire this year?

Mr. O’Connor. We brought back six jobs from the Orient. We had a couple items that we’re selling to Wal-Mart stores, and we

worked with our friends down in Bentonville to create a product that had better quality and better pricing and bring those jobs back to the United States. And we brought six jobs back to the United States.

The President. Yes. How many did you hire? I mean, how many people have you hired this year?

Mr. O’Connor. We’ve hired 30 so far.

The President. Thirty new workers. Look, part of the economic recovery is taking place right here in companies like this. It’s—again, 70 percent of new jobs are created because the entrepreneurial spirit is strong and people like Pat are hiring 30 here, 10 here, and that’s what’s happening. The small-business sector of this economy, of this country, is leading the economic recovery.

Outlook? Surely it’s not going to be dismal.

Mr. O’Connor. I just sat down—actually, funny you say that—yesterday with our CFO looking at our pro forma for 2005. And we’ve got an aggressive, double-digit projection for sales increases. So we’re looking at reinvesting more money in plant, equipment, people.

The President. Yes, good. Let me ask you a question. Investing—that’s a word that you hear a lot of. What are you investing in? What are you buying? When you hear investing, they’re investing in, generally, equipment—is that right?

Mr. O’Connor. A great example is we bought a pretty substantial piece of equipment called a pick module.

The President. Pick module, yes. *[Laughter]* It sounds like dental equipment. *[Laughter]*

[Mr. O’Connor made further remarks.]

The President. And so who—somebody has to make the pick module. So the tax relief says to him, “You invest, you get a little extra kicker on your tax relief.” Right?

Mr. O’Connor. You got it.

The President. So, in other words, we’re trying to make—we’re trying to help influence his decisionmaking through good tax policy. So he says, “Okay, I’m going to buy a pick module.” He’s got to pick up the phone and order a pick module. Somebody has got to make it. And so when he makes the decision, “I’m going to increase demand

for capital goods because of the Tax Code,” it helps somebody else find work. So that’s what I want people to understand.

When we say tax relief makes a difference, we’re affecting past decisionmaking. The Tax Code says, “Do something wise, because there’s incentive to do so. Buy something.” And he decided to do a pick module. More importantly, though, it makes his business more productive, I guess.

Mr. O’Connor. You got it. Your tax breaks 2 years ago—our CFO, Dave Link, and I looked at the numbers. Since you and Cheney have taken the administration in office, we’ve made more money, more sales, paid more in wages, have paid more in taxes, and have pushed more dollars back into the company under this administration versus previous.

The President. I appreciate that.

One other thing that’s important to know, and Pat may explain this as well, but if he invests in new equipment, it makes his own workforce more productive. The newer the equipment that he’s got in his plant, not only the more efficient his company becomes but the more productive his workforce is. And I just told you that if you’re a more productive worker, you make more money. So you read about productivity increases in America, a lot of it has to do with encouraging investment. A lot of it has to do with education, and a lot of it has to do with the modernization of plant floors, like Pat has done.

I appreciate you coming. I love the entrepreneurial spirit of America, don’t you? Good job. There’s nothing better. There is nothing better, is it, to be in an ownership society. Don’t you love the idea of somebody saying, “This is my business.” How about the fact that homeownership rates in America are at an alltime high. More people—and it’s a fantastic statistic. It is a fantastic statistic of our society. It means more people are opening up that front door, saying, “Welcome to my home. Come into my piece of property.”

See, I love an ownership society. It’s a hopeful society. It’s a society that provides stability in times of change. An ownership society is one where people have a vital stake in the future of this country. And that’s important. It’s important for people to buy into the future of America. And when you own

something, you have a—you have this vital stake on how this country grows and develops.

We’ve got another owner with us, Rich Rudolph. Welcome. Appreciate you coming, buddy. Thanks for being here. You’re not going to believe what this guy makes.

Audience member. Pork rinds.

The President. They know—they know you. [Laughter] So does my old man. He knows you. Pork rinds.

Go ahead. Welcome.

Rich Rudolph. Thank you. Welcome here as well.

The President. I’m proud you’re here. Tell us about your—everybody knows your business. What a great marketer you are.

Mr. Rudolph. Well, we make the best-tasting pork rinds in the world, my mother’s recipe.

The President. Fantastic. Are you listening to your mother?

Mr. Rudolph. Well, most of the time.

The President. Yes, see, you and I do the same way. [Laughter] My mother tells me; your mother tells you, and we listen most of the time. [Laughter] How’s your business?

Mr. Rudolph. We’ve been booming. The high-protein, low-carbohydrate diets are helping. [Laughter] Your dad helped a lot in ’87, ’88.

The President. He’s a pork rind man.

Mr. Rudolph. Since your administration, we’ve added over 50 jobs.

The President. Really? How about this year?

Mr. Rudolph. We’re right at above 30 this year.

The President. You added 30 people. You heard one small-business guy add 30. He’s added 30. So when you hear these statistics, a lot of times the small-business add-ons aren’t showing up. But what you’re seeing is the entrepreneurial spirit is strong. That’s what people ought to be looking at when it comes to electing the President. How do you make sure the small-business sector is growing? Are you investing at all?

Mr. Rudolph. Absolutely. We invested last year over 3 million; this year, again, over 3 million—

The President. That’s great.

Mr. Rudolph. —and are putting that in to equipment to become more efficient, more competitive, and keep being the largest producer of pork rinds in the world.

The President. Good. Yes, see, what he's telling you is—what did you buy, by the way? Pork scrapers. [Laughter]

Mr. Rudolph. We bought cooking equipment, packaging equipment, things that will make us more effective and look down in the future.

The President. See, what he's telling you is, is that he wants to stay in business. If I'm working for that company, I'm saying, "I want the person making decisions for this company to be making decisions necessary so I can keep my job." And so what he just said is, he said he's buying equipment so he can be more competitive. That's the kind of environment we want in America, an America where there's competition that—and a Tax Code that encourages people to make the right decisions like they have in this important company, so that people have job stability.

And one of the reasons I've asked these small-business owners to come is because they are—it's just important to realize there are millions of people making decisions that affect how this economy grows. It's not the Government that makes decisions. It's the individuals in the society making the decisions. And the Government's job is to encourage decisionmaking that leads to job creation, and that's what we're here to talk about.

You know, I'll tell you, looking at these two owners and knowing that they had purchased their businesses from family members reminds me of another part of the Tax Code that we have got to change, in my judgment, to enhance the entrepreneurial spirit. And that is, we've got to get rid of the death tax in America. You for that?

Audience member. All these kids are for that.

The President. The whole family is for it. That's good.

You know, think about this. It's an old tax system. More and more wealth is being spread throughout our society. And now the Government is saying they're going to tax you twice, while you live and pay your taxes, and then they're going to tax you after, when you

die. We did pretty good about getting rid of the death tax. We got it on the way to extinction. Unfortunately, it pops back up to life in the year 2011. Another reason to put me in the office is because I'm going to continue trying to get rid of the death tax forever, for the sake of our farmers, ranchers, and small-business owners.

Appreciate you coming. Good job.

One of the interesting opportunities we have is through what I call health savings accounts. And we've actually got a health savings account owner here. One of the things I'll tell the American people is that whatever happens on health care reform, I will make sure that the patient and doctor are central to the decisionmaking process in health care, not bureaucrats in Washington, DC. It's an important philosophical difference in this campaign.

And one way to encourage that is to encourage new products. And we've got an interesting product called a health savings account. These accounts will be very good for individuals and very good for small businesses. Many of the working uninsured work for small businesses. I would strongly suggest small businesses look at this product.

Scott Williams, with us right here today, in Lima, Ohio, is an owner of a health savings account. You want to try to explain how it works?

Scott Williams. It's pretty simple. It's a high-deductible health insurance program that I'm able to put savings away, pretax, to use for that deductible and keeps my premiums extremely low.

The President. Okay, yes, let me see if I can help him here. He buys an insurance policy for catastrophic health care. In other words, the first \$2,000, say, he is responsible for. Any health care costs above the deductible, or this, maybe 2,000, whatever your deductible is, the insurance company pays, which means your premiums you pay are really low compared to traditional health care plan.

Tell us what your premiums were before you bought a health savings account.

Mr. Williams. Right before I moved to Ohio, I was out in Kansas City. My wife had been a nurse. We'd just had a daughter. And she decided to go part-time as a nurse, and

so we came off of her health program, and we—right before we came here, we got our statement that said our insurance for the three of us was going to be about \$1,100 a month.

The President. Yes, 1,100 a month. Now what do you pay?

Mr. Williams. I pay 270.

The President. So what he's done is—we're not quite sure—we're not quite through filling up his health care plan. We've got—so far, we've got the insurance aspect. The cost per month has gone from 1,100 to 279. But he's obviously got to worry about the zero to 2,000. If the insurance kicks in at 2,000 and above, something has got to happen between zero and 2,000, which means you, essentially, self-insure, or your employer puts money tax-free into what they call a health savings account that you then earn money tax-free inside, and you spend it tax-free. But it's your money, see.

And so—go ahead. Does your employer put the money, or do you put it in?

Mr. Williams. I work for a church, Church of the Nazarene in Defiance. I'm the youth pastor. I've got a couple of my kids here.

The President. Good. Thanks for coming, guys. It's pretty cool.

Mr. Williams. And it's great because—

The President. Right in front of national TV. There he is. *[Laughter]*

Mr. Williams. —they add an additional \$600 a quarter in there for me, which covers everything if I want to get over-the-counter medications, to going to the dentist, to doctors' visits. They will—I just send my receipt—my bills into them, and they write them a check out of that savings account. And it's all pretax dollars.

The President. If he doesn't spend the money in his savings account, it's his. And it rolls over the next year, tax-free. And so what this does is—think about what—think about the different kind of system this is. It's an interesting system, isn't it? It says, first of all, it's up to you to make good choices with your body, because if you do, if you make good choices, if you live a healthy life, you save money. It's your money. You see it grow.

Secondly, as you make decisions, you're making the decisions, not a bureaucrat somewhere else. It's your decision to make. You just heard him. He said, he's going to go and try to buy—he gets the price, all of a sudden. It matters. It starts to matter whether somebody is going to charge him more money. If you've got somebody who's writing the check, like the old insurance system, who cares what the price is, right? Just as long as your premiums seem to seem reasonable, but they keep creeping up year after year.

What I'm telling you is, here's a product that enables the doctor and the patient to be central to the decisionmaking process, a product he calls his own, see. He takes this with him wherever he goes. It's his for life. And it's earning money tax-free, plus it covers major medical expenses for him. Listen, I'm telling you to look into these things. And I want our small-business owners who are out there to take a look, to take a look at this kind of system to help you provide your employees insurance. Plus, guess what happened when we had the tax cut? His family saved \$1,100 in tax relief. Isn't that right?

Mr. Williams. Yes. I didn't mention it a second ago, but my premium is that much lower, and I've added a son. And so—

The President. Yes, congratulations.

Mr. Williams. Well, yes. Thank you.

The President. Child credit—raising that child credit helps. *[Laughter]* So look, he's got \$1,100. You know what my theory on Government is? We meet priorities and then let the people spend their own money. They can spend it far wiser than the Federal Government can.

What did you do with your tax relief?

Mr. Williams. Because my wife stays home, it allowed us to keep her home more. It just, literally, let her stay home with our kids.

The President. Made you—let's you make more choices. See, part of Government has got to empower people to make more choices, to give people—stand beside, side by side with people, not be so onerous with people that it makes it difficult to realize dreams. The tax relief was a vital part of not only helping this economy recover, but the reason I asked Scott here, it's a part of a philosophy that says, "We trust people with

their own money.” We think Scott can spend that money better than the Federal Government can spend his money.

Thanks for coming.

Mr. Williams. Thank you.

The President. Jodie Arnold. Jodie Arnold is a physical therapist. I said, “I kind of feel a little stiff here, you know?” [*Laughter*] After all, I am 58. She works part-time. Her husband, Brian, is the varsity football coach.

Jodie Arnold. Yes, in Bryant, Ohio, and unfortunately, they had a rain-out last night, and he had to play today.

The President. Thanks for coming.

Ms. Arnold. Thank you.

The President. Let’s hope he wins.

Ms. Arnold. Yes, me too.

The President. The reason I asked Jodie to come is—in representing Brian, is that, see, it’s important to put tax relief in the context of individuals. She and her husband saved \$1,700 in tax relief—because of the tax relief, in 2003 and 2004. That’s like 1,700 more dollars in their pocket on an annual basis. I know in Washington, that may not sound like a lot. I’m not a lawyer, so you’ll probably accuse me of leading the witness, but did it matter to you?

Ms. Arnold. The money made a huge difference. We got that money back right after I had my second child, Addison. I was home a week on maternity leave, and we were able to use that money to put a new roof on our home.

The President. Yes. And I asked her, I said, “Did you hire a roofer?” And she said, “Only after I figured out Brian couldn’t get the job done.” [*Laughter*] But somebody had to show up to do the work. That’s how the economy works. There’s an additional amount of demand in our economy in their household because they had a little extra money in their pocket. And so she calls, “Send me a roofer.” The roofer is working. The roofer has now got a better future. That’s how the economy works.

People have got to understand that. When we’re talking—you hear all the rhetoric, you know, in the campaign. “Oh, they’re taxing the rich”—I mean, “They’re giving breaks to the rich.” Here’s who is getting the tax breaks, folks—\$1,700 is making a big difference in her life.

Now that you’ve got the floor, you need to say anything? Guess what? She refinanced her home too. That was positive. Things are looking up for the American consumers. And here’s the issue—want to say something?

Ms. Arnold. I just want to say that with refinancing our house, we were able to drop our payments \$150 a month and also take 10 years off of our loan as well, and that’s a big difference.

The President. That’s great. Thanks, you did great. Makes it affordable for her home.

And here’s the issue, is that if we don’t act, taxes are going to go up on the people, because much of the Tax Code we passed—much of the tax relief we passed was done on a temporary basis. The child credit goes down; the marriage penalty goes up; the 10-percent bracket we created goes away. And so the fundamental question is, do we raise taxes on the American people, or do we keep them low? I believe we ought to keep taxes low. Congress needs to hear from you, and the way you keep taxes low is you make all the tax relief we passed permanent. You don’t let it go away. You’re not raising the money on the people.

See, I’m going to go walking around the country—riding around the country in a bus. I’m going to remember Jodie, and I’m going to remind the people in—I don’t need to remind those Members of Congress; there are some others we need to remind, “If we don’t act, you’re running up her taxes.” You heard what she said. She said, “We’re able to refinance the home. I’m more comfortable owning my home. I made some home improvements.” If her taxes go up, it’s less like she’s going to make those decisions. If we start running up the taxes on these small-business owners, it’s less likely they’re going to be making investment decisions. So when you hear me talking about keeping taxes low, I hope you’re getting a better feel for why I am. And it’s a campaign issue.

We’re out there—we’ve got 2 months to go, and my opponent has already put out about \$2 trillion worth of new promises. And we haven’t come down to the big promise period in politics yet. That’s 2 trillion. So they said, “How are you going to pay for it?” And he said, “Well, I’m going to tax the rich.” And we’ve heard that before in politics. The

rich dodge, and you get stuck with the bill. But we're not going to let him tax you, because we're going to win the election in November of '04.

Audience members. Four more years! Four more years! Four more years!

The President. Thank you all. Okay, hold on.

I need to talk about peace. I need to talk about how to make this world a peaceful place. I never thought I was going to be a war President, when I campaigned in 2000 in Ohio and around the country. I never—you know, it's just something that I never thought about. And then all of a sudden, I became one because of one day. And I want to share with you some lessons of September the 11th. And they are vital lessons, and they're lessons that I believe this country should never forget, because the most solemn duty of Government is to protect the people.

First, we are in a war. It's a different kind of war. It's a war that—it's a war in which the enemy is an enemy that has a dark ideology that is in opposite of what we believe in America, is the best way to put it. If you don't agree with them, you get whipped in public squares. If you don't agree with them, you'll be killed. They don't believe in human freedoms. They don't believe you can worship freely the way you see fit. They have a single point of view. I believe they've hijacked a great religion. I don't believe they are religious people, because religious people don't kill the innocent. Religious people don't behead people.

The nature of this enemy—it's important to understand the nature of the enemy—they are coldblooded. You cannot negotiate with these kind of people. It doesn't do any good to try to hope for the best with them. They are patient. They are determined, and they must be defeated by being resolute and strong and never wavering. Our strategy is clear. We will stay on the offense. We will defeat them elsewhere so we do not have to face them here at home.

Secondly, we will work to spread liberty around the world. And I'll talk to you about that in a minute. So the first lesson is, know your enemy. And once you fully understand the enemy, it drives policy. And these are

people that will behead somebody and get on TV and brag about it, hoping to shake our will, because we're decent people. We're loving people. We've got a conscience. They don't, and therefore, there must be a steadfast resolve.

Secondly, any time America says something, we better mean it, for the sake of peace. And when we speak—when this country speaks, we better mean what we say, in order to make sure that there is a firm resolve.

By the way, I forgot to mention one other aspect. Once you figure out the nature of the enemy and know that they hide in caves and dark resorts of the city, it requires a universal effort to find them. And we put together a universal effort. I mean, we've got intelligence sharing which is strong and good. We've got people trying to cut off their money. We've got law enforcement looking for them, and we're using our military to find them too. We're going to use all assets to run these people down. There's no need to hold back. We will chase them down.

The second aspect of the war on terror is, because they can lurk and hide, it's important to say to those who might provide them safe harbor, if you harbor them, if you provide them safe haven, you're just as guilty as they are. That was—I said that, and I meant that. I first said that when I was talking about Afghanistan. You might remember that Afghanistan was the safe haven for these people. They went in there, and the Taliban was running the country. This is a group of people that didn't even let young girls go to school. They'd take their mothers out in the public square and whip them if they thought they were kind of out of line. They were barbarians, as far as I was concerned. And Al Qaida came in there and became a parasite. They kind of got inside their country, and they trained thousands of people.

And right after we got attacked, I said, "Listen, you're harboring them. Give them up, or face serious consequences." I meant every word I said. And they didn't, and we have removed the Taliban from power.

America and the world are safer because Afghanistan is a rising democracy. I told you there's 10 million people have registered to vote. That's amazing. Do you remember 4

months ago—I'm telling you about the power of liberty—4 months ago, they pulled those poor ladies off the bus, the voter registrars, the Taliban did, and killed them because they were working on the vote. A lot of people said, "Gosh, this is going to be a dim day for democracy. It's going to intimidate people." The power of liberty cannot be stopped. It is a powerful, powerful part of the soul of every citizen. Ten million people have registered to vote for their Presidential elections coming this October. Think about the change.

I was in Cleveland at the Children's International Games. I'm giving a speech to welcome them there, the children from around the world, and there's the Afghan girls soccer team. Man, I nearly broke down in tears, taking a look at those young girls there.

Liberty is important. It's important to be proud of the fact that we have freed them, but in so doing, we've made ourselves more secure. That's what the American citizens must understand. By securing ourselves, we're helping others realize the great freedoms of the world, and freedom is peace. Free societies aren't going to harbor Al Qaida. Free societies aren't going to breed resentment. Free societies are peaceful societies.

The third lesson of September the 11th is we must deal with threats before they fully materialize. When we see a threat overseas—you know, prior to September the 11th an American President wouldn't say that, necessarily, because we thought oceans protected us. We were—we've lived for a long time before there was an attack on America the likes of which we saw. Pearl Harbor, I guess, was the last significant attack like that. And we felt, gosh, we're pretty well immune from threats. And sure enough, we aren't. And it's a vital lesson. It's a tough lesson for a country that felt protected for a long period of time, but it's a lesson we cannot forget. So when we see a threat, we must deal with it.

The last option for the President must always be the military option. The last option before a President makes the difficult decision to put somebody in harm's way is the military. And so, therefore, I tried diplomacy. I wanted to solve this threat diplomatically. I felt like we could, maybe, pull the world

together and convince Saddam Hussein to disarm.

I saw a threat—let me tell you why I saw the threat. Let me just review the history right quick. This guy had actually used weapons of mass destruction before. Secondly, he was a sworn enemy of America. You might remember, during that period of time, he was shooting at American airplanes that were enforcing sanctions. Thirdly, he harbored terrorists. Zarqawi was in and out of his country. Remember Abu Nidal? He's the guy that killed Leon Klinghoffer because he was Jewish? He found safe haven in Iraq. In other words, terrorist groups were in this guy's country. He paid the families—he subsidized the families of suiciders who may go blow somebody up, generally, an American or a Jewish person, Israeli. He'd pay them. That's terror. He killed thousands of his own citizens. I mean, this guy was a threat.

And so I went to the United Nations, and I remember standing up there in New York City, and I said, "This guy's a threat. And you've passed a lot of resolutions before. Why don't we pass one that means something to make the world a safer place and to protect us. In the post-9/11 environment, we have to take the man seriously."

And so we went to the U.N. and I—we also went to the Congress, by the way. Members from both political parties looked at the same intelligence I was looking at. They had the same memory I had of Saddam Hussein. They voted overwhelmingly to say that Saddam Hussein was a threat and authorized the use of force—including the man I'm running against for President. He voted "aye" when it came to say, "I see a threat. You can use force." He looked at that same intelligence, and so did the U.N., and they voted 15 to nothing in the U.N. Security Council. And here's what they said. They said, "Disclose, disarm, or face serious consequences." That's what the—basically the resolution said. The United States of America, under my instruction, voted "aye." We said, "You bet. Disclose, disarm, or face serious consequences."

He refused to disclose. He basically ignored the demands of the free world. He had done this, by the way, for over a decade. We had tried diplomacy long before I arrived. And he said, "I'm not interested." He

was hoping the world would turn a blind eye. He was hoping we would look the other direction.

And then when we sent inspectors in—I agreed; I thought the inspectors made sense to go in there. I want to try to solve things peacefully before we ever commit troops. He systematically deceived the inspectors. And that was clear, and that's been documented. In other words, all we're saying is, "Show us what you've got." And he said, "No way."

So I had a choice to make, a choice that only comes to the Oval Office. The choice was whether to trust a madman who hated America and forget the lessons of September the 11th, or take action necessary to do my duty and defend this country. Given that choice, I will defend America every time. *[Applause]* Thank you all.

A couple other points. We did not find stockpiles of weapons we all thought we would. Saddam Hussein had the capability of making weapons of mass destruction. He could have passed that capability on to an enemy. It is a risk that we could not afford to have taken after 9/11. Knowing what I know today, I would have made the same decision. The world is a safer place. The world is a safer place with Saddam Hussein sitting in a prison cell.

And now we're doing the hard work of helping Iraq and Afghanistan become democracies. And that's one of the interesting parts of this debate, is can they become democracies. I believe they can. I believe that liberty and the desire for liberty has the power of transforming societies.

Tell you one reason I believe that. I've—I was sitting down with my friend Prime Minister Koizumi. He's the Prime Minister of Japan. You know, it wasn't all that long ago in the big scheme of things, in the long lineage of—in the long timeframe of history, that my dad and your dads were fighting the Japanese as a mortal enemy. It wasn't all that long ago. And here I am having dinner with this fellow, and we're talking peace. We're talking about how to work together to make the world a more peaceful place.

See, what happened after World War II is my predecessor and others said that liberty can transform an enemy into a friend, that

freedom has got the capacity to take a group of people with whom we have fought, viciously fought, and transform an attitude into one that was hostile to peaceful. It's a part of history we must never forget in this country. And so here I am, sitting with Prime Minister Koizumi, talking about how to deal with Kim Chong-il, the North Korean tyrant, how best to surround him with nations saying the same message, to get rid of his nuclear weapons programs.

Now, I'm telling you something. I believe that liberty can transform lives, and I believe people want to be free. And I believe, if given a chance, people long for freedom. That's what I believe. It's a core of my belief system. I'll tell you why I believe it. I believe that freedom is the Almighty God's gift to each man and woman on this Earth.

So our policy in Afghanistan and Iraq is to provide enough security so the political process can get going, so they can have the 10 million people vote in Afghanistan. It's been 3 years since they were run by the barbaric people called the Taliban. Iraq is going to have elections next January. Imagine the transformation of a society.

I'll tell you another story real quick, now that I've got you here. *[Laughter]* I may just say this next week. It's a powerful story. So I'm in the Oval Office. The Oval Office is the kind of place where people stand outside the door saying, "I can't wait to get in and tell him what for." And they walk in, open up, and they go, "Man, you're looking pretty, Mr. President." *[Laughter]* It's a powerful place. The only person not affected that way has been my mother. *[Laughter]*

The door opens up and in walks seven Iraqi men, all of whom had their right hands cut off by Saddam Hussein and an X carved into their foreheads because the dinar, the Saddam dinar, had devalued and he was looking for scapegoats. I asked the one guy, "Why you?" He said, "I was a small-business guy, small-business man." He wasn't making pork rinds. He was making jewelry. He needed to sell dinars in order to buy another currency to be able to buy the gold to make his jewelry. And he did so, unfortunately, when the dinar started to devalue, and this thug was looking for a scapegoat. And they

pulled these seven guys out—in order to justify his currency devaluation, I guess, in his own mind—they chopped these guys' hands off.

And so they walk into the Oval Office. The good news was, is that Marvin Zindler, a Houston newsman, and others provided money for them to get new hands. And they're coming to see me. And it was unbelievable, incredibly emotional moment, because the contrast between a society in which somebody can summarily cut off a hand and a society in which people are willing to restore hands was vivid and real. These guys understand the stakes about what it means to live in a free society. They told me, they said, "We long for freedom." And if given a chance, they will—our strategy is to help Iraq move toward a free society. Our strategy is to train Iraqis so that they can stand up and defend themselves against the few, the tyrants, the terrorists, those with dark vision, so that they can stand up against them and defend themselves, and that's what you're seeing.

What you're seeing is a strategy that's working, a strategy that recognizes the power of liberty to transform societies, a strategy that says people do want to be free, and a strategy that says people are willing to stand up and defend their freedom.

Prime Minister Alawi, who is now running Iraq, is a tough, strong guy who believes in the aspirations of the Iraqi people. He's a guy who one night woke up in London and saw a—people with an ax try to ax him to death, and Saddam had sent them. And the ax hit his wife, and it really severely affected her. But he's a guy who saw firsthand what it means. And now he's in the midst of that country saying, "Follow me. We're headed to democracy."

A free and peaceful Iraq is going to be the kind of place where a tyrant can't summarily cut somebody's hand off. And some day an American President is going to sit down and talk to a duly elected official from Iraq, talking about how to keep the peace in a volatile part of the world. And he or she as President is going to say, "Thank God my predecessor and the American people had great belief in liberty to transform the world."

I want to make two other points, and then I'll answer questions. Then I've got to get on the bus.

Audience member. God bless you, Mr. President!

The President. Thank you. He has.

Two other points. I want to emphasize again, free societies are peaceful societies and freedom in the heart of the Middle East is going to serve a powerful example for Palestinians who are wondering whether or not there's a—a free state can emerge. And that's important. That's important, especially for our ally and friend Israel, that there be a peaceful state grow up. A peaceful Iraq and Afghanistan serve as powerful examples. There's a lot of people in that part of the world who are watching us like hawks. They want to know whether or not we're willing to live out our beliefs. There are reformers—there are women in the Middle East who want to hear their—have their voices heard and to realize their potential. No, it's important for America to lead and to lead with our values.

The second thing I want to tell you is I want to thank the military people who are here. I want to thank the military families, and I want to thank our veterans who have served as such a great example. Thank you all. The loved ones need to hear from the Commander in Chief. We will continue to work to make sure your loved one has all the resources necessary to do his or her job.

That's an issue in this campaign. It's an issue in this campaign. By the way, I have fulfilled my pledge. We have the largest defense increase since Ronald Reagan was the President. Military pay has gone up 21 percent over the last 3 years. Military housing is improving. When we had our troops in combat in Iraq and Afghanistan, I went to the Congress and said, "Look, we need 87 billion additional dollars to support them in their mission." This is important money. It was body armor and spare parts and fuel and ammunition, that which you expect to maintain a military operation. It was necessary, and we got great bipartisan support. I was very impressed by both Republicans and Democrats who strongly supported it. As a matter of fact, the bipartisan support was so strong that only 12 Members of the Senate

voted against it, 2 of whom are my opponent and his runningmate. It's a difference in the campaign.

When you're out there rounding up the vote, I think it's important to remind people of the facts. So they pressed him. They said, "Why did you do it?" He said, "Well, I actually did vote for the \$87 billion, before I voted against it." [Laughter] That's not the way they talk here in this part of Ohio, I don't think.

I'll support our troops. I met with a lot of moms and dads and wives and husbands of people who have lost their life in Iraq. And I told them this, I said, "I want you to know that history will look back upon the actions that your loved one has taken in a way that will be powerful for your family members because we're changing the world. The sacrifices that they made not only helped make America more secure, but it helped spread the peace." And the best way to honor the memory of those loved ones is to complete the mission, is to not grow weary; it's to not tire; it's to be resolute and strong in our belief that we will succeed.

I'm here to tell you, I want to be your President. I know where I want to lead the country. I have the energy to lead the country. And I want to thank you for your help in helping me win 4 more years. God bless.

Let me answer some questions. All right, we've got a little more work to do. Then I'm going to get on the bus. I'll be glad to answer some questions. We've got 5 or 6 more minutes.

Yes, sir. Yell her out.

National Guard/Leadership/Gun Ownership

Q. I would very much like to thank you on behalf of all of the people from the Right to Life.

The President. Thank you, sir.

Q. I also want—that people would like to know I'm a lifetime member of the National Rifle Association. And Mr. Kerry and Edwards have got F minuses, and they said, "You're the only man."

The President. Well, thank you.

Q. And also, too, that I'm really sorry, on your behalf, of the fact that they're trying to bring this issue up about the National Guard. I have many, many good friends that

served in the Guard during the highlight of the Vietnam war. And they—there is eight of them that are changing parties because they've had it with the Democrats, and they said that they owe us an apology. And Mr. President, what military branch did Mr. Clinton serve in? [Laughter] Exactly.

The President. Okay, never mind. Okay. Look, thank you. I appreciate your strong defense. I'm proud of my service. The question is who best to be the Commander in Chief to lead us to peace. That's the question. The question in this campaign is who understands what it takes to defend America during these troubling times. That's the real issue. I've just explained to you my position. I hope everybody is listening out there. They'll be able to make up their mind about who best.

Let me talk about guns right quick. I believe law-abiding citizens should be allowed to own weapons. And I believe the best way to protect society is to find people who commit crimes with guns and bring them to justice, and that's exactly what we're doing.

Got a question? Sure. Thank you, sir.

Health Care Reform

Q. Mr. President, I'm here representing 44,000 brethren who are praying for you—

The President. Thank you.

Q. —urgently. And we appreciate very much the stand that you've taken on many, many moral issues. We appreciate it very much. And we just would love to ask you if you're prepared to take on health care the same way you've taken on Iraq? We really appreciate the stand you've taken. You've done marvelously in Iraq, and we feel that there's an urgent need in relation to health care.

The President. Okay, good. Good question.

First, thank you for your prayers. It's an amazing country that prays for the President, and I am grateful. And I thank you for that.

You bet I'm going to take on health care and have, starting with taking care of people who can't help themselves. We've expanded community health centers all across America, and we will continue to do so over the next 4 years. These are places where low-income citizens can get primary care. And that's important. You know why? It takes the pressure

off your emergency rooms. We want people who cannot afford to get help to be able to find a place to do so, and the Federal Government has stepped up and done that. And we'll expand—we'll expand them.

Secondly, Medicare—it's a huge part of the Federal budget. And campaign after campaign after campaign, people around the country say, "Oh, we're going to fix Medicare," and never did anything get done. It used to be called "Mediscare." You know, you'd talk about it, and they would bash you over the head with the issue.

I went to Washington for a reason, and that was to strengthen systems that needed to be helped, was to transform parts of the Government to recognize the realities of the modern era. And one of the key issues I focused on in my first term was Medicare. And we brought Democrats and Republicans together, and we got the job done in Medicare. We're strengthening Medicare. Let me tell you how. First, seniors get drug discount cards for the year 2004, which will provide savings. Secondly, there's going to be preventative care in Medicare for the first time. Seniors will now get preventative screenings. It's basic logic, isn't it? Let's screen for disease before it's too late. Let's solve seniors' problems in Medicare now.

Thirdly, for the first time Medicare will provide prescription drugs in the year 2006. And that's important. It's really important. I'll tell you why. The old system would pay for our heart operation, but it wouldn't pay for the drugs that would prevent the heart operation from needing to be in the first place. Now, what kind of system is that? It's a system that would pay the 100,000 for the operation but not the \$2,000 to prevent the \$100,000 operation from having to occur. And so we said, "Why don't we strengthen the system and give seniors in Medicare prescription drug coverage." So that starts in '06.

Fourthly, if you have a plan you like, nothing changes. This doesn't force anybody, anywhere. As a matter of fact, it provides additional choices. I happen to believe the more choices people have, the more likely it is the system will be responsive to the people. If you can make choice in the marketplace, the marketplace will respond. So this new Medicare, strengthening of Medicare, has got an

additional feature in that it helps seniors select a plan that fits their needs as opposed to kind of a one-size-fits-all plan out of Washington, DC.

Thirdly, I told you about HSAs—I didn't tell you about it; one of our guests told you about HSAs. I told you about AHPs. Those are ways to make sure that a system is more affordable and more available but keeping the patient/doctor relationship central to the decisionmaking process.

That, by the way, is a key component of this debate. You listen to my opponent talk about it, and you can put it all together—basically what he's advocating is a federalization of the health care system, which I think is wrong for the country, and I think it's bad for the country. And I don't think it's responsive to consumers and to patients if the Federal Government is making drug pricing decisions, if the Federal Government is making all these different decisions on behalf of the consumers.

Thirdly—fourthly, I talked about medical liability reform. It is a necessary part of making sure health care is affordable. One of the reasons why there's working uninsured is because of the cost of health care. And if we can deal with the root causes of the cost of increasing health care, more people will get insurance.

I think there needs to be tax credits for working uninsured. I think we need to help small businesses with HSAs. I'll talk about that a little later on here during the course of the campaign.

I talked to you about—you got me going here. *[Laughter]* I talked to you about technology. This is—health care is an industry where somebody takes a file and puts it under his or her arm—I'm exaggerating a little bit, but I'm pretty accurate—and goes from one office to the next. And the files are handwritten, and doctors don't write very well. *[Laughter]* What I'm telling you is, is that unlike a lot of other industry, the technology hasn't changed how health care is delivered and how the administrative costs of health care are—they haven't helped reduce the costs of health care like it has in a lot of other industry.

And so this administration started a plan to encourage the development of an electronic medical record for every citizen in the country, with privacy rights. That will help streamline and reduce costs in medicine. They estimate 30 percent cost reduction in medicine when we get technology introduced into the health care industry.

And you say, "Why can't you do that tomorrow?" Well, there's got to be common language. I mean, there's a lot of issues that have to be dealt with, and the Federal Government can help.

Finally, let me talk about drug costs right quick. I think the best way to deal with drug costs is to ensure—is to encourage generic drugs getting to the market faster. One of the things it seems like makes sense to me is to make sure that we continue to have incentives for research and development in the pharmaceutical industry to keep looking at new horizons of how to save lives and how to improve people's lives with new medicines. But this business about stalling the advent of generic drugs, which are much cheaper than brand-name drugs, has been stopped by administration—this administration, which will encourage a much cheaper drug to be available for consumers on the market but yet able to do the same thing the brand drugs do.

That's a long answer. As you can tell, we're on it. [Laughter] But what I won't allow happen so long as I'm the President is for the Federal Government to run your health care system. I think that would be a mistake.

Okay, last question. There he is right there. Yes, sir, soon-to-be-voter.

President's Reading Habits

Q. Thanks for coming. I was just wondering what your favorite book is, because I'd like to read it.

The President. Book—that's a great question. Well, I—the Bible. [Applause] Hold on. Hold on. I read the Bible. I like history. I read a lot of history. I'm not so sure this one will be appropriate for you, but I just read the—a very thick biography on Alexander Hamilton.

But I would suggest reading history, because history is a—I think it's important to understand the past so you can better see

the future. Like I just told you something about the past that gives me confidence about the future, and that was when Japan and the United States were at war, and then we worked to encourage Japan to be a self-governing, free nation based upon democratic institutions. And out of that came a country that is now a friend and an ally as opposed to an enemy.

See, enemies—liberty can turn enemies into friends because we have shared values. When we—when we're free nations, we share values. Human rights is a shared value of a free nation. Human dignity is a shared value of a free nation—the right to worship the way you see fit.

Let me say one thing about religion real quick. It is very important that this Nation always hold—always maintain this vital tradition: You can worship any way you see fit. If you choose not to worship, and worship, you're equally American. It's important for people to understand that. We must never lose that vital aspect of the freedom to worship the way you choose. Now, if you choose to worship an Almighty God, you're equally American if you're Jewish, Christian, Muslim, Hindu. It's the great tradition of America, and it's a tradition that must be maintained.

It's a part of, when I say "shared values," that's a shared value of a truly free society, isn't it—the freedom for—in somebody, that personal freedom to choose or not to choose to worship an Almighty is a vital aspect of the integrity and vibrancy of this great society of ours. And it's important—that's an important lesson, little guy, for you to remember when you get to be the President. [Laughter]

At any rate, I want to—I hope you've enjoyed this as much as I have. I'm excited about this election. There's no doubt in my mind, with your help, we will be back in the White House for 4 more years.

God bless, and God bless our great country. Thank you all.

NOTE: The President spoke at 1:36 p.m. at Lima Senior High School. In his remarks, he referred to Gov. Bob Taft of Ohio; Ohio Secretary of State J. Kenneth Blackwell; Karel Oxley, superintendent, Lima City Schools; former President Saddam Hussein of Iraq; senior Al Qaida associate Abu Musab Al Zarqawi; Prime Minister Junichiro

Koizumi of Japan; Chairman Kim Chong-il of North Korea; and Prime Minister Ayad al-Alawi of the Iraqi Interim Government.

Remarks in Perrysburg, Ohio

August 28, 2004

The President. Thank you all. Thank you all for coming. Thanks for inviting me here to Perrysburg. It is an honor to be here. I appreciate you taking time out of your Saturday afternoon to come and say hello. I'm sorry we were running a little late; there was a slight weather condition. I'm here to ask for your vote. I'm traveling your State asking for the vote and asking for your help. I'll tell you what I think. From the crowds we've seen, there's no doubt in my mind, with your help, we'll carry Ohio and win a great victory in November.

I'm sorry Laura is not here. She's a fabulous mom, a great wife. She's a terrific First Lady. I'm going to give you some reasons why I think you ought to put me back in, but perhaps the most important one of all is so that Laura will be First Lady for 4 more years.

I'm proud of my runningmate. I'm running with a good man in Dick Cheney. I picked him because he's got sound judgment, he's got great experience. I picked him because he can get the job done.

I've been traveling all across your important State today with a really fine United States Senator in Mike DeWine. I'm proud to be calling Mike friend. And I hope you put old George Voinovich back in office. He's a great United States Senator. He's doing a fine job. I appreciate Congressman Mike Oxley joining us today. Larry Kaczala is running for the United States Congress next to this district. He's a fine guy.

I want to thank the members of the state-house who are here, Ken Blackwell and Betty Montgomery and Randy Gardner and Bob Latta. I want to thank all the State and local officials who are here.

I want to thank my friend Lee Ann Womack. I hope she did a good job for you. I can't tell you how much I appreciate her coming.

I want to thank all the grassroots activists who are here. I appreciate you. I appreciate

your hard work. See, I believe we have a duty in this country to vote. And therefore, I'm asking you to help register people to vote. See your friends and neighbors and say, "In a democracy, we've got to participate." And ask them to register, and reach out. And when you get them headed toward the polls come November, tell them if they want a safer country, a stronger country, a better country, to put me and Dick Cheney back in office.

In the past few years, Americans have been through a lot together—been through a lot. We have accomplished a lot. But there's only one reason to look back at the record, and that is to determine who best to lead us forward. I'm here to tell you, there is more to do to make this country a safer place. There is more to do to make this country a hopeful place. I'm here to tell you, I've got the energy, the vision, and the willingness to lead this Nation for 4 more years.

We have more to do to make sure our schools are the centers of excellence we know they can be. You might remember, when we first got up there to Washington, the school system was shuffling too many children through our schools, grade after grade, year after year, without learning the basics. So we challenged the soft bigotry of low expectations. We raised the standards because we believe every child can learn to read and write and add and subtract. We increased Federal help for States and local districts. But we started to ask a simple question: Are you achieving results? Can our children read and write? And, if so, we'll praise the teachers. But if not, we have the courage and willingness to challenge the status quo. No child should be left behind in America.

There's more work to be done. We've got to insist upon science and math programs in our high schools to prepare our kids for the jobs of the 21st century. We've got to make sure the Internet is available in classrooms. We want a high school diploma to mean something. After 4 more years, a rising generation will have the skills and confidence necessary to compete in our global world.

I'm running because I understand we've got to work to make health care more affordable and more available. You might remember the old debates on Medicare. They used